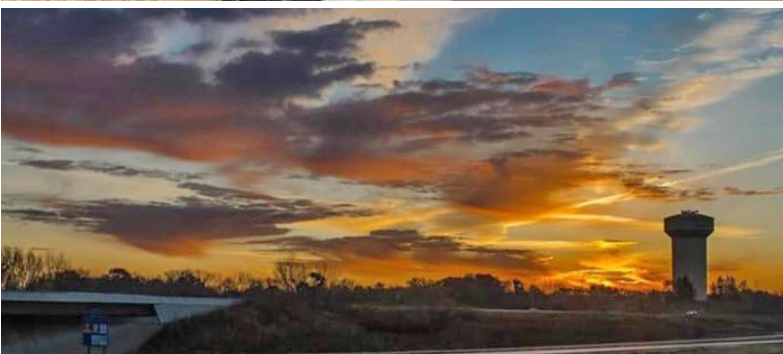
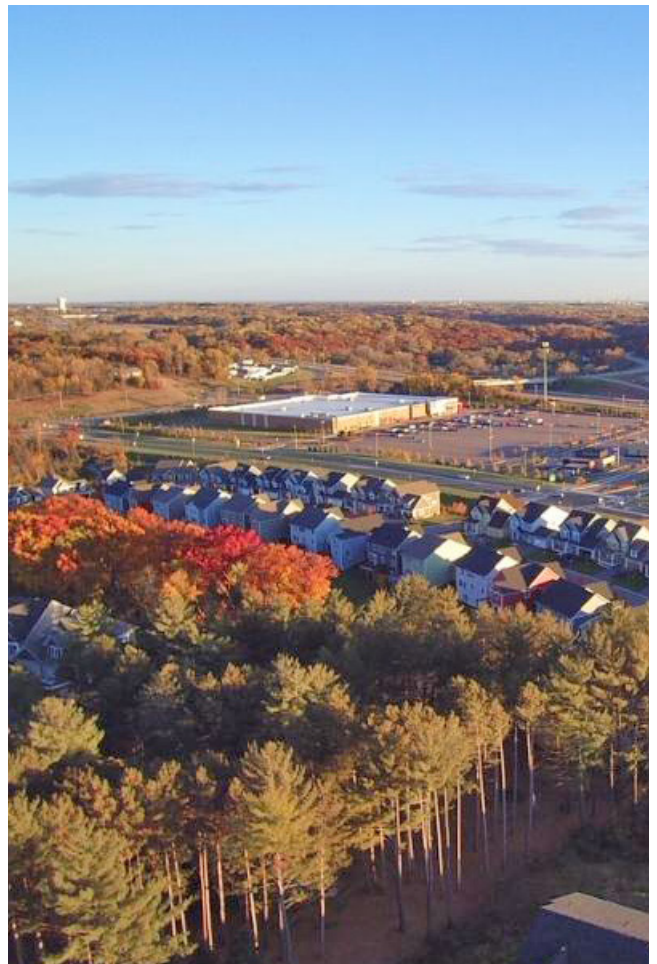




Community Development Annual Report





Community Development in Inver Grove Heights 2021

AN IMPRESSIVE LEVEL OF REAL ESTATE GROWTH CITYWIDE

Despite dramatic jumps in the cost of land, construction labor and materials, a very impressive level of real estate development growth was realized throughout the city of Inver Grove Heights in 2021. The effects of such growth translate into steady increases in the number of new residents, temporary construction jobs, longer-term retail and industrial jobs, new businesses and services options for our residents and visitors, and modest growth in the city's property tax base.

A healthy mix of new housing options are being developed in the city, with some offering amenities that have never before been provided to residents, such as private clubhouses, a rooftop patio with Inver Wood Golf Course views and unique one-story villa homes.

This report is intended to provide a synopsis of community development activity in Inver Grove Heights, including specific data on how the city's Community Development Department provides land use planning, building inspection, code compliance and permitting, environmental and economic development services to support sustainable growth and development throughout the city.

2021 Community Development Highlights Include:

- Review and City Council approval of one new commercial/industrial plat on land owned by Northern States Power, a subsidiary of Xcel Energy.
- 11 new housing plats that add up to 276 new single-family housing lots, 54 townhouse lots and one new apartment building in the city.

- A 49-unit work force housing project named Babcock Crossing.
- The total number of building permits issued in IGH grew by 10% between 2020 and 2021, which reflects three years of steady growth in private sector investment within the city.
- New building construction included \$9M invested in new commercial development and \$28M in multi-family development
- The number of single-family home renovation permits has doubled in the last three years.
- Building permit values totaled \$144M in new value, up from \$84M in 2020 and \$114M in 2019. Consequently, permit fee revenues generated just under \$6M in 2021.
- City leadership responded to the evolving needs of residents and developers with zoning code changes and renewed small-area planning

- The city adopted its first-ever Energy Action Plan, developed in partnership with Xcel Energy's Partners In Energy program.
- Community Development staff partnered with the River Heights Chamber of Commerce and the IGH Convention and Visitors Bureau to draft a strategic plan to promote economic vitality in IGH.

The Community Development Department is grateful to the City Council, Planning Commission; Public Works, Parks and Recreation, and Finance Departments; Communications and Information Technology Divisions; and many other city departments, divisions and staff members for the support that was provided during this banner year of growth in our community. We look forward to future steady, sustainable growth and development in Inver Grove Heights.

Planning Division

SHAPING FUTURE DEVELOPMENT

Residential development activity was very robust in 2021. Planning applications were processed for seven new single-family subdivisions ranging in size from one to 126 lots. Planning applications were also reviewed for three new plats of multi-family housing development that have a total of 57 new housing lots.

Eagles Landing and **Ruby Meadows** housing plats will create 17 new single-family lots within existing residential neighborhoods. 103 new multi-family units were approved in **Babcock Crossing, South Grove Townhomes** and the **Pine Bend Estates** second development phase.

New housing development in the northwest area of the city also advanced with approval of the new **Peltier Reserve** development, consisting of 126 single-family plats, and three other large, new plat projects currently being reviewed for possible approval and construction in 2022.

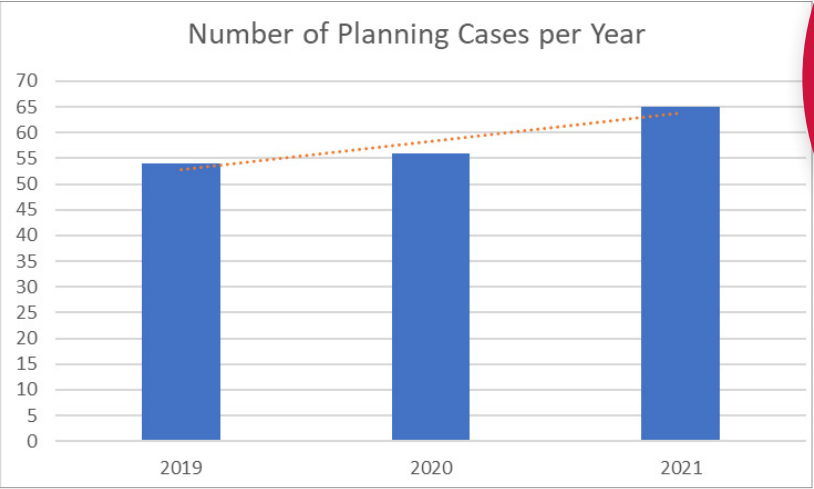
Other activities that planning staff members were involved in include updating the Mississippi River Critical Area Overlay District ordinance, working on streamlining our planning application processes and beginning work on city ordinance updates. Staff also conducted small-area planning efforts north of Hwy 55 and south of Hwy 55 near Argenta Trail. The North of Hwy 55 Small Area Plan was adopted by the City Council and will guide future development of that area.

More at:
www.ighmn.gov/northwestdev

In 2020 and 2021 the number of planning applications received were the highest on record: 111 and 97 respectively. Customer service is essential to plan review and approval. Each proposed development requires multiple steps and engagements with city planning staff.

PLANNING DIVISION ACTIVITIES IN 2021

Type of Application	Number of Applications
Administrative Subdivision	1
Waiver of Plat	0
Preliminary Plat	10
Final Plat	11
Preliminary PUD	4
Final PUD	3
PUD Amendment	1
Comp Plan Amendment	9
Code Amendment	4
Rezoning	13
Conditional Use Permit	10
CUP Amendment	1
Variance	20
Right-of-Way Vacations	3
Wetland Replacement	0
Major Site Plan Review	0
Other Requests	7
Interim Use Permit	0
TOTAL	97
Total number of planning cases	65



Each time a developer approaches the city, they are issued a planning case number. So, tracking the number of planning cases per year is a good indicator of how much development interest and activity is occurring in IGH. Between 2020 and 2021, the number of planning cases increased by 16%.

SINGLE-FAMILY RESIDENTIAL FINAL PLATS APPROVED IN 2021

Name of Development	Number of New Lots
Eagles Landing	11
South Grove	10
Pine Bend Estates	12
Peltier Reserve	126
Ruby Meadows	6
Carriage Heights	2
O'Brien Oak Terrace	1
Canvas at Inver Grove Heights	108
TOTAL	276

MULTIPLE-FAMILY RESIDENTIAL FINAL PLATS AND LOTS APPROVED IN 2021

Name of Development	Number of New Lots	Number of New Units
Pine Bend Estates 2nd	21	20
South Grove Townhomes	35	34
Babcock Crossing	1	49
TOTAL	57	103

COMMERCIAL/INDUSTRIAL FINAL PLATS APPROVED IN 2021

Name of Development	Number of New Lots
Northern States Power	1
TOTAL	1



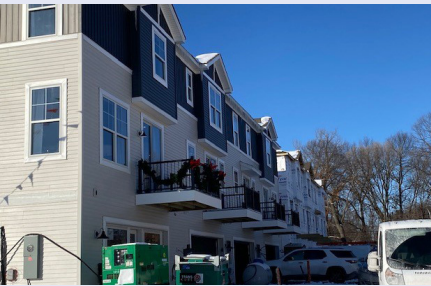
Eagles Landing



Ruby Meadows



The Crossings



South Grove Townhomes



Pine Bend Estates

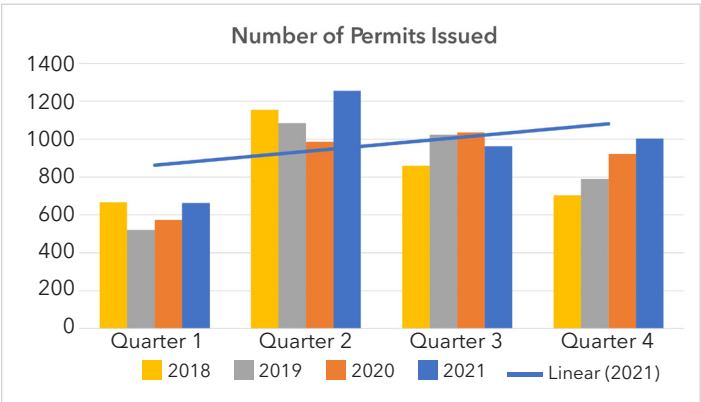


Peltier Reserve

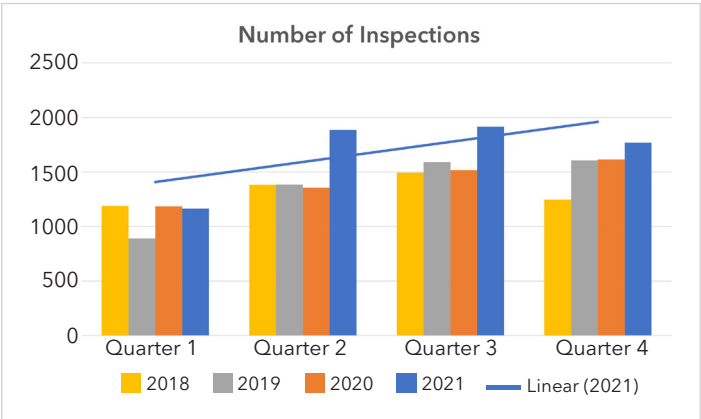
Building Permits and Inspections Services Division

ENSURING SAFETY IN HOUSING AND COMMERCIAL DEVELOPMENT

2021 total building permits issued by IGH has grown by 10.44% over last year. This is reflective of a steady growth trend year after year.



The number of inspections performed in the city has grown steadily since 2018.



Here is a look at the number of service “touches” provided by the Inspections Division for each new housing construction. This is a reflection of how much hard word goes into assuring that structures are sound and safe for new residents.

INSPECTIONS ACTIVITIES FORECAST

2021 New Developments	Lots/ Units	Inspections Required
Babcock Trail Apartments	49	686
Eagles Landing	11	176
South Grove Homes & Townhomes	80	1280
Scenic Hills	67	1072
Ruby Meadows	6	96
Canvas	108	1728
Pine Bend	14	224
Peltier Reserve	124	1984
Settlers Ridge North 2nd Addition	66	1056
Amber Wood	20	320
Settlers Ridge North	25	400
The Crossings Apartments	152	2128
The Crossings Townhomes	24	384
TOTAL	746	9374

A Number of High-Value Investments in Commercial and Housing Development Occurred During 2021

AMOUNT INVESTED IN COMMERCIAL DEVELOPMENT

Name of Commercial Development	Amount
Inver Point Business Park Building #3 Shell & Tenant Buildout 8300 Courthouse Boulevard	\$ 4,903,000
STOR Self Storage 9725 South Robert Trail	\$ 1,695,000
Inver Point Building #3 – Tenant Buildout 8300 Courthouse Boulevard	\$ 305,200
Christian Brothers Automotive Corporation 9963 Diffley	\$ 825,000
Fortistar 11300 Rich Valley Blvd	\$ 775,820
Caribou Coffee Company 4682 Robert Trail South	\$ 433,496
Caribou Coffee Company – Tenant Buildout 4682 Robert Trail South	\$ 85,000
Superior Freight – Tenant Buildout 8237 Auburn Path	\$ 11,234
TOTAL	\$ 9,033,750

AMOUNT INVESTED IN MULTI-FAMILY DEVELOPMENT

Name of Multi-Family Housing Development	Amount
The Crossings at Inverwoods Apartments 1462 80th Street East	\$ 23,225,507
The Crossings at Inverwoods / Townhomes 1462 80th Street East	\$ 4,100,000
Babcock Crossing Apartments / Foundation Only 2021 Upper 55th Street East	\$ 1,100,000
TOTAL	\$ 28,425,507

New commercial construction totaled just over \$9M

New multi-family housing construction totaled just under \$30M

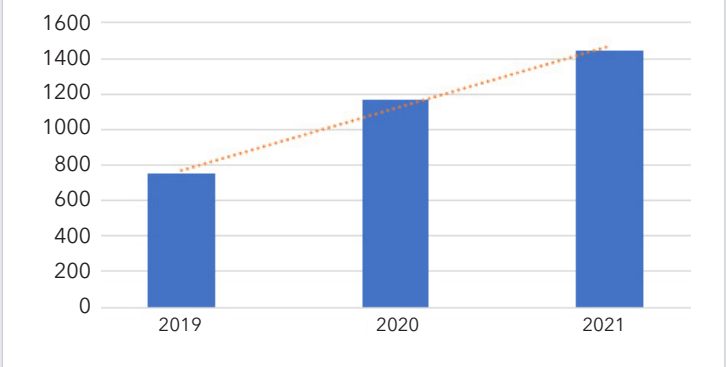


Canvas



Scenic Hills

Number of Single-Family Home Renovation Permits



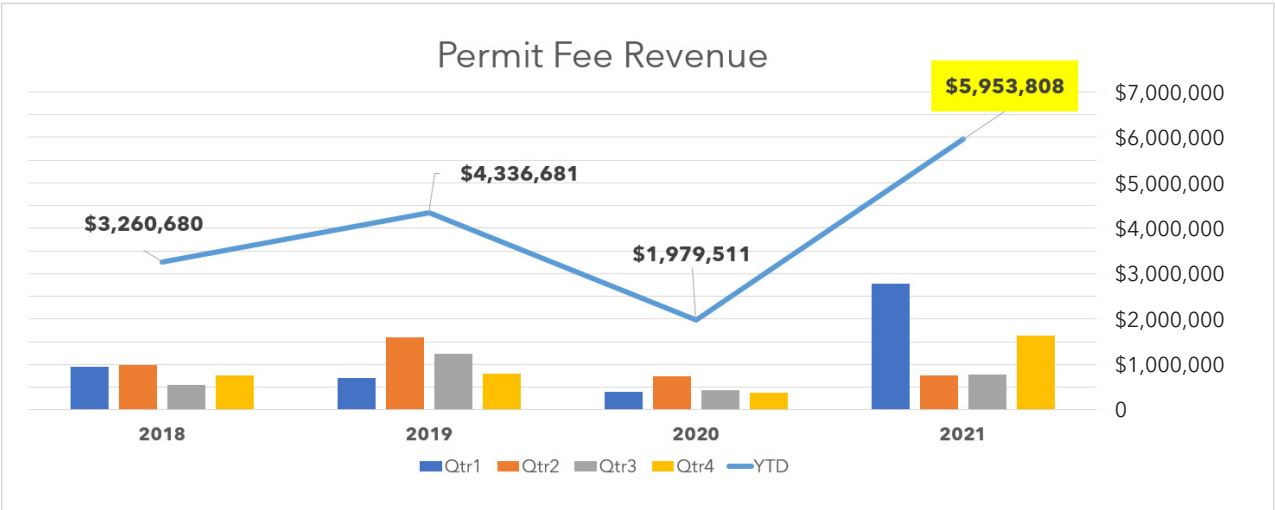
The number of permits issued for single-family home renovations has doubled since 2019.

In 2020 there was a drop in new housing construction due to the pandemic. However, construction permits to renovate existing homes were at a record high.

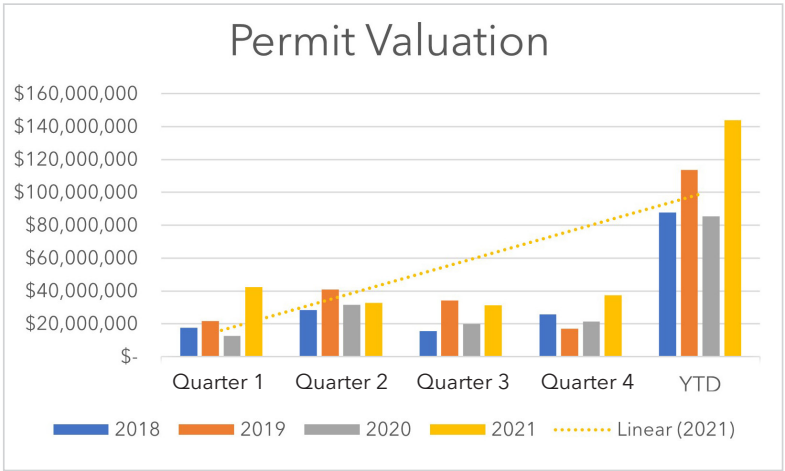
PERMIT REVENUE AND VALUATION CONTRIBUTES TO CITY REVENUE AND TAX BASE

2021 building permit fee revenues increased 200% over 2020 and generated just under \$6M. Fee revenues were low in 2020 as there was less new-build construction and more renovations of existing homes due to the pandemic. Fee revenues have not only recovered since prepandemic years but have grown.

City fees, including building permit and inspection fees, are collected from new housing construction builders and developers, so that they pay their fair share for water and sewer connections, state surcharges, Metropolitan Council charges, and the costs of building and expanding neighborhood parks. The costs of fees paid are then passed on to homebuyers, but represent only 3.6% of the total cost of an average new home in IGH.



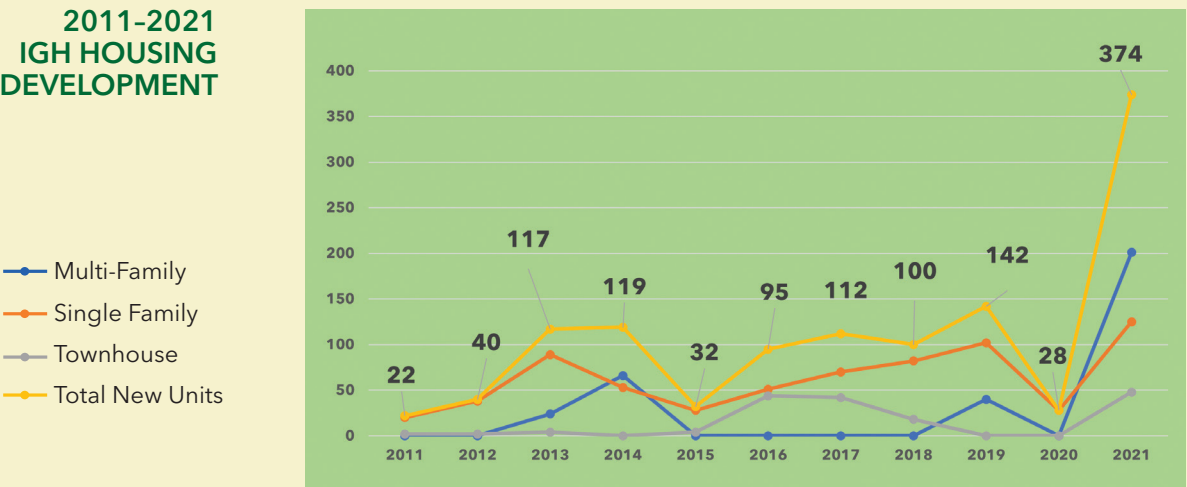
The valuations of new construction have grown dramatically, as well, due to so much new construction in 2021. When built out, this will greatly contribute to the IGH tax base. Permit values in 2021 totaled just under \$144M in new value, up from \$84M in 2020 and \$114M in 2019.



IGH SAW STRONG AND VARIED HOUSING DEVELOPMENT GROWTH IN 2021, CONTRIBUTING TO A HEALTHY MIX OF HOUSING

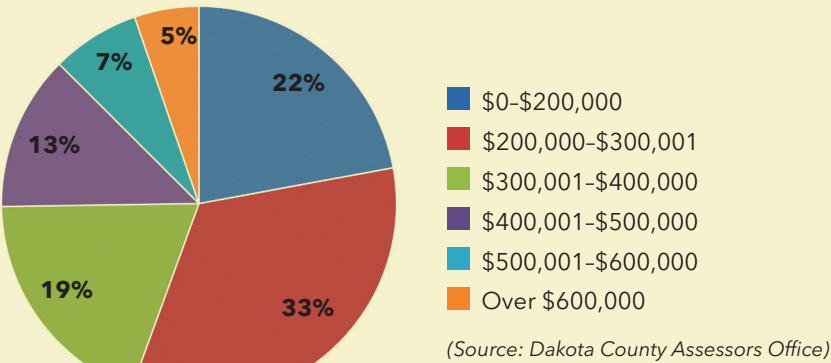
The overall supply of housing in Inver Grove Heights is increasing. Housing stock is expanding in both the total number of units and in the diversity of housing types. A total of 1,181 new units of housing have been added to the community since 2011, with 374 being added just in the past year. There are an additional 313 ready-to-build lots currently available in Inver Grove Heights, with more lots in the pipeline for 2022.

2011-2021 IGH HOUSING DEVELOPMENT



2021 assessed home values in IGH show affordability. The U.S. Department of Housing and Urban Development (HUD) deems homes valued at \$316,000 or less to be affordable to households earning \$79,900 per year, which is 80% of area median income in the Twin Cities. In Inver Grove Heights, 55% of residential properties are valued at \$300,000 or less, making them affordable to this segment of households.

2021 IGH ASSESSED HOME VALUES



AFFORDABLE HOUSING ASSISTANCE IS AVAILABLE IN IGH

The City of Inver Grove Heights is committed to making quality housing affordable to all residents. In partnership with the Dakota County Community Development Agency (CDA), the city provides income-eligible homeowners access to zero-percent interest home improvement loans and weatherization grants. The CDA also offers homebuyer education and pre-purchase counseling resources to assist households in obtaining homeownership.

Code Compliance and Licensing

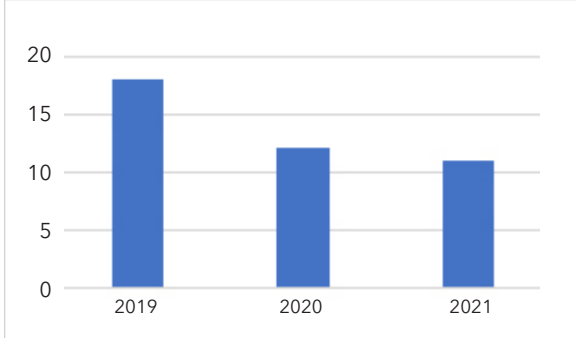
MANAGING RESIDENT AND DEVELOPER REQUESTS AND COMPLAINTS

How Code Compliance Works

There were 293 code compliance cases in 2021, down slightly from 307 cases in 2020. For every complaint that is received, between one and three inspections are performed. Unless the complaint is unfounded, between one and three violation notices are then sent as a follow-up. If a property owner calls to request more time to rectify a complaint, staff will work with that resident on a reasonable deadline for compliance. If compliance is not met, either a citation is issued, or staff works with a contractor to have the violation corrected through an abatement.

Both the number of code violations and the number of abatements have decreased in the city during the last two years.

ABATEMENTS



Licensing

Residential rental licenses are valid for two years. Between 2019 and 2021 there were an additional 19 licenses issued than in the previous cycle, an increase of 44%. Residential rental licensing activity decreased last year.

Number of Residential Rental Licenses Issued:

2019: 44
2020: 83
2021: 63

Urban chicken licenses are valid for two years. Between 2019 and 2021, there were an additional 11 licenses issued, an increase of 73%.

Number of Chicken Licenses Issued:

2019: 15
2020: 9
2021: 26

How Urban Chicken Licensing Works

New chicken license applicants require neighbor notification and staff review. If no objection is received by neighbors within the 10-day deadline, the license is administratively approved. If an objection is received, the item is placed on the Council Agenda for consideration. Chicken license renewals are reviewed and administratively approved.

WHAT IS ABATEMENT?
The city solicits a quote to perform work to bring a property back into code compliance, and the property owner is billed for this work. If the owner doesn't pay, the City Council authorizes the expense to be added to that land parcel's property tax.

Citywide, our top-three code violations are:

- Refuse
- Junk vehicles
- Overgrown yards

Residential rental licenses are valid for two years. Close to 20 additional residential rental licenses were issued this year than were issued in the previous 2019 cycle.

Permits and City Code Updates 2021

As a city government, we try to be nimble and responsive to the needs of residents as trends change over time. Here is what changed last year.



GRAZING GOATS

In recent years, planning staff have received various calls inquiring about the use of goats for buckthorn management on residential lots. Because growth of invasive species is uninhibited, it is up to property owners to manually manage their spread. Goats grazing for invasive and noxious vegetation management has been gaining popularity both locally and nationally. Planning staff proposed an ordinance allowing temporary goat grazing for invasive species management by permit to City Council, and it was adopted on June 28, 2021. In 2021, two temporary goat grazing permits were approved.

MARKET GARDENS

Last year, City Council amended city code to address a relatively new trend called market gardening. A market garden is like a personal or community garden, where food crops or flowers are grown and harvested for personal use, with one important distinction. Unlike personal gardens, market gardens allow for the retail sale of crops grown on site to the public. Sales occur in a house or garage (no tents on sidewalks or in driveways) a few days per week.

Allowing retail sales in residential districts was a departure from a long-standing restriction on residential-zoned properties in IGH. So, before the ordinance change was made, in addition to three amendment readings and a chance for public input during City Council meetings, the city polled residents on their opinion about market gardening. After receiving community input, City Council decided that city code should be amended to allow for market gardens in IGH. In addition to our local farmer's market held at the VMCC, we hope that market gardens provide residents with more fresh produce options.

STORAGE OPTIONS

In 2021, City Council agreed to change an ordinance to better accommodate personal storage needs on 3.4- to 5-acre lots in order to allow for larger garages. This change was driven by requests from residents who wanted to store more of their valuables on their private property instead of at a paid storage facility. Additionally, an ordinance was passed that prohibits ministorage facilities in some business districts (B-3 zones).

TALLER FENCES

Fences up to 48-inches high are now permitted in front and corner side lots, which is eight inches higher than what had been allowed before 2021. Back yard fences can be seven feet, unless they are riparian fences (riverside). Riparian fences can be up to 42-inches high.

MORE TO COME...

City staff began discussions with City Council about regulations for the idling of trucks in residential neighborhoods, the licensing of food trucks in IGH, and inspection of licensed rental housing.

Environmental Services

STEWARDSHIP AND SUSTAINABILITY INITIATIVES

Landfill Update

In October 2021, Pine Bend Landfill received a final certificate of need determination from the Minnesota Pollution Control Agency (MPCA) to collect municipal solid waste (MSW). Between 2015 and 2018, Pine Bend Landfill received all necessary permits from the state, county and city for a side slope capacity expansion to accept the additional amount of MSW that has been allotted.

Rich Valley Landfill received a preliminary certificate of need determination in October 2021. The landfill is currently only permitted to accept construction debris. To accept MSW, the landfill needs to complete an environmental review and receive city, county and state approvals. City code currently prohibits the development of a new sanitary landfill. To accept MSW, the landfill must receive city approval for amendments to the zoning code, conditional use permit, and host community agreement. A final certificate of need determination will not be awarded to Rich Valley Landfill by the MPCA unless the applicant properly secures all city approvals.

**2021
Dakota County
Community Waste
Abatement Grant**

The city was eligible to request up to \$51,666.15 in reimbursement from Dakota County for solid waste abatement activities completed in 2021.

Special Collection Events

The city collected residential materials for recycling, donation, reuse and disposal at the following special collection events:

- Clean Up Day (562 attendees, 69,470 lbs)
- Spring Confidential Paper Shredding Event (313 attendees, 9,640 lbs)
- Winter Clothing Swap (20 attendees, 198.5 lbs)
- Compost Your Pumpkin (8,720 lbs)



Multi-family Property Recycling

The city provided education and updated recycling cart labels for residents of the following properties:

- Parkview Manor Townhomes (109 units)
- Oaks Townhomes (200 units)
- Spruce Pointe Townhomes (31 units)
- Lafayette Townhomes (24 units)

Energy Action Plan

In March 2021, the city adopted the Energy Action Plan, which was developed in partnership with Xcel Energy's Partners In Energy program. City staff continue to implement the approved work plan. Highlights of 2021 implementation include:

- Published new energy savings content quarterly in *Insights* residential newsletter.
- Designed new energy webpage (www.ighmn.gov/energy).
- Created printed energy savings marketing material to easily educate targeted groups in-person.
- Received 200 free LED light bulb kits from Xcel Energy to provide to IGH residents.
- Developed new partnership with Inver Hills Community College to engage students, staff, faculty and facilities on energy topics.

Insights
SPRING 2021

Inver Grove Heights Launches Energy Action Plan

On March 8, the City Council approved the Inver Grove Heights Energy Action Plan, which sets new goals and strategies to save energy and money community-wide. This Energy Action Plan builds off the city's existing sustainability initiatives, including our work in Minnesota's GreenStep Cities program and energy efficiency projects in our own facilities. With this plan, we will engage our residents, small businesses, large employers, schools, nonprofits, and places of worship to help our community save energy, lower energy bills, and support renewable energy.

About the Energy Action Plan

Over a six-month process, our Energy Action Plan was created to understand how our community currently uses energy, identify energy-related goals, and develop energy engagement strategies to guide us toward our energy future. Twenty-two community members applied to join the city's new stakeholder group, including representatives from various city commissions and committees, City Council, local educational institutions, business, service organizations, utility representatives, and IGH residents.

Community stakeholder workshops were facilitated by Xcel Energy's Partners in Energy, a five-year collaboration between the city and Xcel Energy to develop and implement a community's energy goals. IGH was selected to participate in Partners in Energy last year and joined more than 20 Minnesota and Wisconsin communities creating community Energy Action Plans.

What You Can Do

Implementation of the plan will begin in April 2021. Keep an eye out as we transition into action—we will be sharing ways you can take action and make a difference right where you are. Here are a few first steps you can take today:

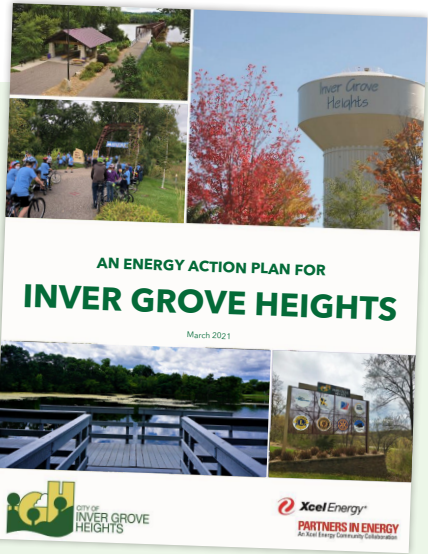
- **Reduce Hot Water Waste:** Wash your clothes in cold water whenever possible, and if necessary, adjust the temperature on your hot water heater to a lower setting.
- **Turn Off the Lights:** Make sure to turn off your lights when you're not using them—even with energy-efficient LED bulbs you shouldn't leave lights on in unoccupied rooms.
- **Unplug Unused Electronics:** Some electronics use energy even when turned off. Unplug cable boxes and computer monitors.

...Continued on page 2

INVER GROVE HEIGHTS WINS FINANCE AWARD!

The Committee of Representatives for Excellence in Financial Reporting has awarded IGH its first award of 2021 by the Government Finance Officers Association of the U.S. and Canada (GFOA). The city's comprehensive annual financial report (CAFR) is the highest form of recognition in the use of governmental accounting and financial reporting. This represents a significant accomplishment for a government and its management. Congratulations to our Finance Director Amy Hesse and her team for their excellent work!

Insights newsletter



Energy Action Plan



Free LED light bulb kits



A presence at city events



Economic Development Services

RESOURCES AND PARTNERSHIPS THAT CREATE A STRONGER LOCAL ECONOMY

The City of Inver Grove Heights partners with River Heights Chamber of Commerce, Open to Business, and the IGH Convention & Visitors Bureau to provide development services that support entrepreneurship and fuel the economic engine in IGH.

Resources that Support Local Businesses and Entrepreneurship



Open to Business offers free advisory services in multiple languages to small business owners. It can help assist in sound planning, management and financing decisions.



A guide created by the IGH Convention & Visitors Bureau.



Resources to start or expand a business.

CATALYZING REDEVELOPMENT AND SUPPORTING NEW PRIVATE SECTOR INVESTMENT THROUGH THE CITY'S ECONOMIC DEVELOPMENT AUTHORITY

The community development department identifies blighted properties within the community and works to secure new private sector investors to rehabilitate, or, if needed, redevelop certain real estate sites. The city and its Economic Development Authority (EDA) make use of grants from Dakota County, state agencies and the federal government to fund these efforts, with the goal of achieving property improvements. This way, the property is contributing positively to the surrounding neighborhood and city as a whole. An example of this would be the city and EDA's acquisition of a blighted home at 1805 60th Street in IGH. The EDA demolished the structure and prepared the site for sale via a publicly issued request for proposal (RFP). The property was sold to a qualified redeveloper, who has since constructed a new four-bedroom home with attached garage on the site, pictured here.



Commercial Development Highlights

Fortistar Methane Group (Renewable Natural Gas / Energy Recovery Facility next to Pine Bend Landfill) required IGH to grant conditional use permit and other ordinance changes pertaining to energy recovery and energy generation plants in the city.

2495 117TH STREET



Expansion of a business called **Bituminous Roadways** required approval of conditional use permit (CUP) and code variance to allow it to construct three asphalt storage tanks, each with a capacity of 1.8 million gallons and up to 48 feet in height, for continued processing of sand, gravel and asphalt on the site.

11201 RICH VALLEY BOULEVARD

Preliminary and final plat and conditional use permit for manufacturing use for **Building #3 (Skyline Displays)** by **United Properties**, as a developer in the InverPoint Business Park for a new 107,738 square-foot commercial/industrial building.

8450 COURTHOUSE BOULEVARD
OFF OF HIGHWAY 55



PRIVATE INVESTMENT PAYING-OFF WITH PROPERTY APPRECIATION IN IGH

9725 Robert Trail South (STOR storage facility) recently sold for **\$13.6M**, up from **\$2M** in 2019. That's an impressive return. What do we attribute that to?

- Facility improvements made to a previously distressed property
- Increased market demand for property

The STOR project converted an existing, vacated 55,523 square-foot building into a climate controlled storage building, in addition to a new build of 14 cold storage buildings, which add 51,640 square feet of space on the site. The new cumulative total building square footage of 108,768 includes the 1,605 square-foot onsite office. The 19.31-acre property also was graded and paved for 140 outside storage/trailer stalls, added security fencing, lighting, sensors and other security controls.



Additional New Development IN INVER GROVE HEIGHTS



Caribou Coffee
4682 Robert Trail South



Mi Familia Education and Care Center
2855 47th Street East



SMART Center
9260 Courthouse Boulevard



Taqueria el Rincon
6550 Cahill Avenue East



Christian Brothers Automotive Corporation
9963 Diffley Road



DanceXcel
Salem Square Business Park



Suite Living Senior Care of Inver Grove Heights
7900 Austin Way, off of 80th Street



Fastest Labs of St. Paul
1446 Mendota Road East



Los Portales Mexican Grill & Bar
5816 Blaine Avenue



Simpson Strong Tie
InverPoint Business Park
8450 Courthouse Boulevard off of Highway 55



Yoyar Thai & Sushi Restaurant
5800 Cahill Avenue



K & W Services
5802 Blackshire Path



In 2021, we launched our **Community Development** and **Economic Development** websites, a great resource for staying up-to-date on developments in IGH.

www.ighmn.gov/communitydevelopment

www.ighmn.gov/economicdevelopment



COMMUNITY DEVELOPMENT

Heather Rand, Director

8150 Barbara Avenue | Inver Grove Heights, MN 55077 | 651-450-2500 | www.ighmn.gov

ETHICS | EXCELLENCE | ENGAGEMENT